



Financial Reporting Council Communiqué

The Financial Reporting Council (FRC) met on 5 March 2025 and the key matters considered and decided are outlined below:

Environmental Scan	<ul style="list-style-type: none">• The FRC reviewed stakeholder reports and discussed key developments in financial reporting, including how environmental, social, and governance (ESG) policies are evolving globally, particularly in the United States, Europe, and Asia.• Members noted that further guidance is needed for small businesses in Australia regarding climate disclosure requirements.• Members took the view that companies should produce concise, high-quality sustainability reporting that focuses on material sustainability risks and opportunities.
AASB and AUASB	<p>The AASB Chair provided a verbal update on the AASB's work:</p> <ul style="list-style-type: none">• The AASB is progressing the drafting of new standards for non-profit entities within Tier 3.• The AASB continues to work on the Service Performance Reporting project, focusing on how to measure success in non-profit and public sector entities.• The AASB is attending the IFRS Foundation's Integrated Thinking and Reporting Annual Conference in Tokyo. <p>The AUASB Chair provided a verbal update on the AUASB's work:</p> <ul style="list-style-type: none">• The AUASB approved the adoption of international standard ISSA 5000 <i>General Requirements for Sustainability Assurance Engagements</i> in Australia. Positive feedback has been received from international standard-setting bodies.• The AUASB is currently focused on implementation, education, and guidance. Work is ongoing to address frequently asked questions (FAQs) related to the new standard.• Recruitment efforts are underway to support sustainability assurance implementation.
XRB	<ul style="list-style-type: none">• XRB continues to strengthen relationships with international bodies, including the International Public Sector Accounting Standards Board (IPSASB) and IFRS Foundation, to align New Zealand's reporting standards with global standards while being domestically relevant.• The FRC noted and discussed the XRB's approach to board and sub committee composition to ensure that it has a good balance of technical expertise and broader experience.
Public Sector Reporting	<ul style="list-style-type: none">• The Public Sector Advisory Group (PSAG) Chair provided a verbal update of recent PSAG meeting:<ul style="list-style-type: none">– Ongoing challenges in recruitment and retention of qualified professionals particularly into specific regions. The shortage of qualified professionals requires targeted strategies to attract and retain talent in public sector auditing and accounting roles.
FRC Strategic Plan 2025-26	<ul style="list-style-type: none">• Members reviewed the draft FRC Strategic Plan and emphasised the need for alignment with evolving sustainability reporting standards. The FRC Secretariat will refine the draft and recirculate a revised Strategic Plan to members for further input.
Funding International Bodies	<ul style="list-style-type: none">• All FRC members agreed for the FRC Secretariat to work with the Chair on a recommendation to the Australian Government that it provides a further contribution to the IFRS Foundation in 2025-26.
Nominations Committee	<ul style="list-style-type: none">• The Nomination Committee Chair noted that the FRC reappointed the following members to the AASB and AUASB who commenced on 22 February 2025:<ul style="list-style-type: none">- AASB: Sean Osborn- AUASB: Merilyn Gwan

The next FRC meeting is scheduled to be held in Sydney on 6 June 2025